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SENATE BILL 1100

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

RICHARD M ROMERO

AN ACT

RELATING TO PUBLIC UTILITIES; AMENDING THE PUBLIC UTILITY ACT TO
IMPLEMENT COMPETITION IN THE ELECTRIC UTILITY INDUSTRY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Public Utility Act is
enacted to read:

"NEW MATERIAL RETAIL COMPETITION IN THE ELECTRIC UTILITY
INDUSTRY--PURPOSE AND FINDINGS-- COMMISSION AUTHORITY--NON-
UTILITY ELECTRIC SUPPLIERS--PENALTIES.--

A. Finding that lower electricity prices preserve
jobs and facilitate expansion of existing businesses as well as
provide an incentive for new industry to locate in the state,
the purpose of this section is to:

(1) assure that open markets and competition in
the electric industry will be implemented in a way that brings

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1 lower prices and greater benefits to all New Mexicans and the
2 environment;

3 (2) provide competition in electric power
4 markets through open access to electric power supplies through
5 utility facilities by the public; and

6 (3) assure that competition results in customer
7 choice on price, reliability, energy source and environmental
8 improvement.

9 B. The commission shall implement competition in a
10 manner that results:

11 (1) in access to lower electricity prices for
12 residential and small commercial customers, as well as other
13 customer classes;

14 (2) in all customer classes sharing equitably
15 in economic benefits; and

16 (3) in benefits and improvements to the
17 environment.

18 C. The commission shall develop and implement rules,
19 regulations and orders to provide open access to utility
20 facilities no later than January 1, 2000, consistent with the
21 following guidelines:

22 (1) to the full extent of its jurisdiction and
23 authority, the commission may authorize and require transmission
24 and distribution of electricity and related services provided
25 under this section by any person, which transmission and

- 1 distribution shall be:
- 2 (a) nondiscriminatory and
- 3 nonpreferential;
- 4 (b) subject to necessary terms and
- 5 conditions to safeguard deliverability and operational
- 6 efficiency and prevent undue hardship and anticompetitive or
- 7 unfair marketing practices; and
- 8 (c) priced at fair, just, reasonable and
- 9 nondiscriminatory rates;
- 10 (2) the existence of undue market power or
- 11 unfair market practices may require further commission rules,
- 12 regulations or orders to eliminate the market power or
- 13 practices; and
- 14 (3) rulemaking determinations shall be made
- 15 regarding:
- 16 (a) a utility's obligation to connect and
- 17 deliver;
- 18 (b) cost shifting;
- 19 (c) protection of the marketplace against
- 20 unfair or advantaged competition;
- 21 (d) the financial health and economic
- 22 viability of each utility, including an equitable sharing of
- 23 net, unmitigable transition costs among all stakeholders;
- 24 (e) low-income customer protection;
- 25 (f) the right of all customers to access

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1 affordable and reliable electricity;

2 (g) consumer protection, information and
3 education, including truth in labeling and advertising,
4 disclosures and protections from unfair marketing practices;

5 (h) market aggregation;

6 (i) health, safety and reliability
7 concerns, with particular regard to nuclear waste and
8 decommissioning;

9 (j) licensing requirements for all power
10 suppliers, including financial assurances and technical
11 capability requirements;

12 (k) environmental improvement, with
13 particular regard to environmentally sensitive renewable
14 resource development and reduction of air emissions from
15 electric generation, customer choice for renewable resources,
16 energy conservation and efficiency;

17 (l) impacts on state taxes and revenues;

18 (m) funding mechanisms to accomplish the
19 objectives of this section; and

20 (n) a phasing-in of competition to
21 provide initial open access to small commercial and residential
22 electricity consumers first, the implementation of which
23 considers the factors in Subparagraphs (a) through (m) of this
24 paragraph.

25 D. Electric power suppliers, not otherwise public

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1 utilities, are subject to the jurisdiction of the commission for
2 the limited purposes of:

3 (1) licensing and license revocation;

4 (2) determining minimum financial
5 responsibility requirements;

6 (3) ensuring compliance with consumer
7 information, truth in labeling and advertising requirements; and

8 (4) ensuring compliance with other consumer
9 protection, environmental protection, market power and unfair
10 marketing practice rules, regulations and orders as the
11 commission may develop. "